

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Comments on S.4140, A Bill to Establish a Task Force on Petrodollars

FROM:

NE/

STATINTL

EXTENSION

1562

NO.

100-74-2475

DATE

29 November 1974

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. OLC  
7D35

12/3

*[Signature]*

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

SECRET

29 November 1974

MEMORANDUM FOR: OLC

ATTENTION :   
Assistant Legislative Counsel

SUBJECT : Comments on S.4140, A Bill to Establish a Task Force  
on Petrodollars.

1. NE Division believes that the formal establishment by law of a Task Force on Petrodollars, basically within the USIB community, will result in added complications to the already complex and difficult problems encountered by the Departments of State and Treasury in the area of the recycling of Petrodollars. The Organization of Petroleum Exporting Countries (OPEC) will not view kindly the creation of this Task Force, especially the first two provisions of the Task Force under Section 2 of the proposed law. One can envisage a situation whereby certain U.S. banks, financial institutions and international companies would be subpoenaed to provide evidence, which could be made public, on their activities with foreign oil producing governments not only in the U.S. but abroad. In the final analysis, this could well redound against the U.S. institutions and hinder efforts by the USG and private U.S. facilities to deal with this problem.

2. If such a Task Force were established by law, it would be preferable for a variety of reasons for the CIA to be an ad hoc rather than a full member. Should CIA be a full member of a task force which has subpoena powers and which is also concerned with domestic financial matters? If the task force is not to be so concerned, it would appear to represent a new departure in overseas intelligence activities. Further, the question arises as to the protection of CIA information that would be incorporated in the hearings or in the reports to be issued not less than four times in each fiscal year.

3. The above concerns are apparent in view of the provisions of Section 4 (b) (4), in which intelligence gathering agencies are required to provide information, estimates and statistics.



NE/

25X1A

SECRET

**SECRET**

29 November 1974

MEMORANDUM FOR: OLC

25X1A

ATTENTION :   
Assistant Legislative CounselSUBJECT : Comments on S.4140, A Bill to Establish a Task Force  
on Petrodollars.

1. NE Division believes that the formal establishment by law of a Task Force on Petrodollars, basically within the USIB community, will result in added complications to the already complex and difficult problems encountered by the Departments of State and Treasury in the area of the recycling of Petrodollars. The Organization of Petroleum Exporting Countries (OPEC) will not view kindly the creation of this Task Force, especially the first two provisions of the Task Force under Section 2 of the proposed law. One can envisage a situation whereby certain U.S. banks, financial institutions and international companies would be subpoenaed to provide evidence, which could be made public, on their activities with foreign oil producing governments not only in the U.S. but abroad. In the final analysis, this could well redound against the U.S. institutions and hinder efforts by the USG and private U.S. facilities to deal with this problem.

2. If such a Task Force were established by law, it would be preferable for a variety of reasons for the CIA to be an ad hoc rather than a full member. Should CIA be a full member of a task force which has subpoena powers and which is also concerned with domestic financial matters? If the task force is not to be so concerned, it would appear to represent a new departure in overseas intelligence activities. Further, the question arises as to the protection of CIA information that would be incorporated in the hearings or in the reports to be issued not less than four times in each fiscal year.

3. The above concerns are apparent in view of the provisions of Section 4 (b) (4), in which intelligence gathering agencies are required to provide information, estimates and statistics.

25X1A

  
NE/

25X1A

**SECRET**